

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF COMMUNITY AFFAIRS  
HOME Investment Partnerships Program**

1800 Third Street, Suite 390-3  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 322-0356  
FAX (916) 322-2904

**HOME****MANAGEMENT MEMORANDUM**

HOME Investment Partnerships Program

Memorandum Number: 2004-02

**June 15, 2004**

**To: HOME Contractors with Standard Agreements numbered 01-HOME-xxxx or 02-HOME-xxxx Owner Occupied Rehabilitation Programs**

**From: Tom Bettencourt, Section Chief  
HOME Investment Partnerships Program**

**Re: Increase in Activity Delivery Cost allowance for 01-HOME and 02-HOME Owner Occupied Rehabilitation Programs**

Effective immediately, for projects which have not yet been set-up in HCD's City Software and IDIS systems, you may charge up to 23.46% of the loan/grant amount for Owner Occupied Rehabilitation projects as Activity Delivery Costs. This is equivalent to charging 19% of the total amount available for the Activity.

This letter serves as a formal modification of your Standard Agreement. This modification supersedes the amount shown for Activity Delivery Costs in Attachment A of your Standard Agreement.

If you already have a pending set-up request at HCD, we will ask you if you would like the higher Activity Delivery Cost allowance.

Please ensure that you have actually incurred the expenses before taking advantage of this increased Activity Delivery Cost allowance.

I am hopeful that this program change will result in a higher expenditure rate for Owner Occupied Rehabilitation and in other improvements that will better serve low income participants in your program.

Also, please note that this change does not yet apply to the activity known as "First Time Homebuyer Acquisition with Rehabilitation". We are still in discussion with the few contractors with this HOME activity, so we are not yet ready to make a decision for this activity.

If you have any questions, please call your HOME Program Representative, or the main HOME number at (916) 322-0356.